

REMARKS

Applicants reply to the Examiner's comments in the Advisory Action mailed on February 2, 2007, and submit these amendments and remarks. Applicants request that the Examiner enter the above amendments and consider the following remarks prior to examining the above-referenced patent application after RCE. Claims 1-14 and 26-36 are pending in this Application.

In an Office Action dated November 15, 2006, the Examiner rejected claim 1-14 and 26-36 under 35 U.S.C. § 102(e) as being anticipated by Sullivan, U.S. Patent Number 6,424,979 ("Sullivan"). Applicants respectfully traverse this rejection.

Sullivan generally discloses a tax calculator that receives purchase information from a retailer and provides a tax amount in return. Specifically, the Sullivan system allows sellers or purchasers to calculate, record, and report tax liabilities. The system calculates tax amounts based on applicable international, federal, state, and local tax rates. The Sullivan system also takes into consideration product and/or service exemptions, entity exemptions, and rounding.

According to Sullivan, sellers and purchasers, through their billing systems, cash registers, and web sites, transmit transaction details to the tax compliance system. The tax liability is calculated and transmitted back to the input source for application to the purchase price. Sullivan's tax compliance system also records the tax liability for future use in computing a tax return, defending an audit, or for tax planning.

When the Sullivan system receives transaction information from the seller, it determines the proper taxing authorities and retrieves the corresponding calculations from storage. The system then performs the calculations and returns the summed tax amount to the seller to consummate the transaction. Sullivan discloses a number of components used in the calculation of taxes such as, for example, a tax transaction calculator, an address manager, a tax rate manager, an exemption manager, and a tax information manager. All of these modules are centrally located, meaning that all requests are transmitted to, and processed by, the centralized taxation system of Sullivan.

The presently claimed invention identifies the proper taxation authorities within a tax authority directory and returns the list of tax authorities **directly** to the seller. In contrast, the Sullivan system simply identifies the proper taxing authorities (**but does not return the specific list of applicable tax authorities to the merchant**), and performs all of the interactions with the tax authorities. In particular, Sullivan requires the merchant to send the Sullivan system (a third

party) detailed transaction data, the host provides transaction information to a tax calculator corresponding to each identified taxing authority, the host saves the transaction information to a database, and the host returns the calculated tax amount to the merchant (**again, without ever disclosing the list of applicable tax authorities and without allowing the merchant to interact directly with the tax authorities**). Thus, merchants and consumers wishing to participate in the Sullivan system must be willing to submit sensitive transaction data to the Sullivan system (a third-party) for processing and storage. According to Sullivan, for example, the seller must transmit a customer identifier, customer residence location, merchant identifier, merchant location, an item descriptor, sales price, and the like to the third-party tax system. In fact, Sullivan discloses providing the third-party with information in such detail that it may be used by the system to provide the merchant and consumer with sensitive tax reports at regular intervals.

With privacy concerns on the rise, merchants and their customers alike may be uncomfortable with providing such data to a third-party. One of ordinary skill would appreciate that merchants and consumers would likely be more comfortable if minimal information were provided by the merchant in order to retrieve a directory of applicable taxing authorities. The merchant may then determine the nature and volume of information to provide to such taxing authorities in order to calculate a tax amount.

As such, Sullivan does not disclose or suggest at least, “said tax directory configured to return said identified tax authorities to said personal communication device” and “said personal communication device configured to send a request **directly** to said identified tax authorities, wherein said request includes information relating to said transaction. . . said tax rate is returned **directly** to said personal communications device,” (emphasis added) as similarly recited by independent claims 1, 26, 30, and 34.

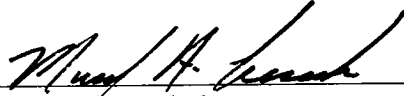
Claims 2-14, 27-29, 31-33, and 35-36 variously depend from independent claims 1, 26, 30, and 34. As such, dependent claims 2-14, 27-29, 31-33, and 35-36 are differentiated from the cited reference for at least the reasons set forth above, as well as in view of their own respective features.

In view of the above remarks and amendments, Applicants respectfully submit that all pending claims properly set forth that which Applicants regard as their invention and are allowable over the cited references. Accordingly, Applicants respectfully request allowance of

the pending claims. The Examiner is invited to telephone the undersigned at the Examiner's convenience, if that would help further prosecution of the subject Application. Applicants authorize and respectfully request that any fees due be charged to Deposit Account No. 19-2814.

Respectfully submitted,

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